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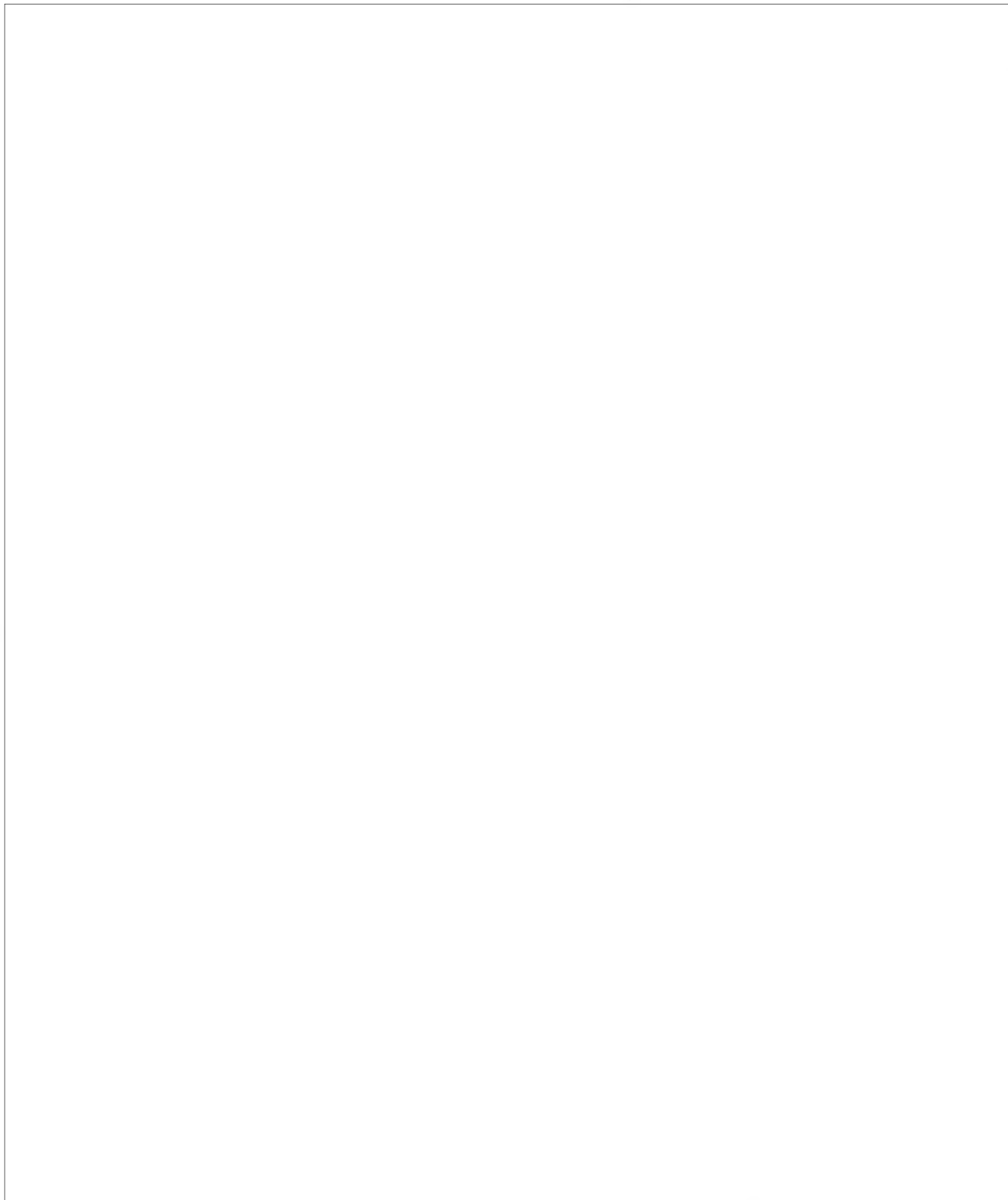
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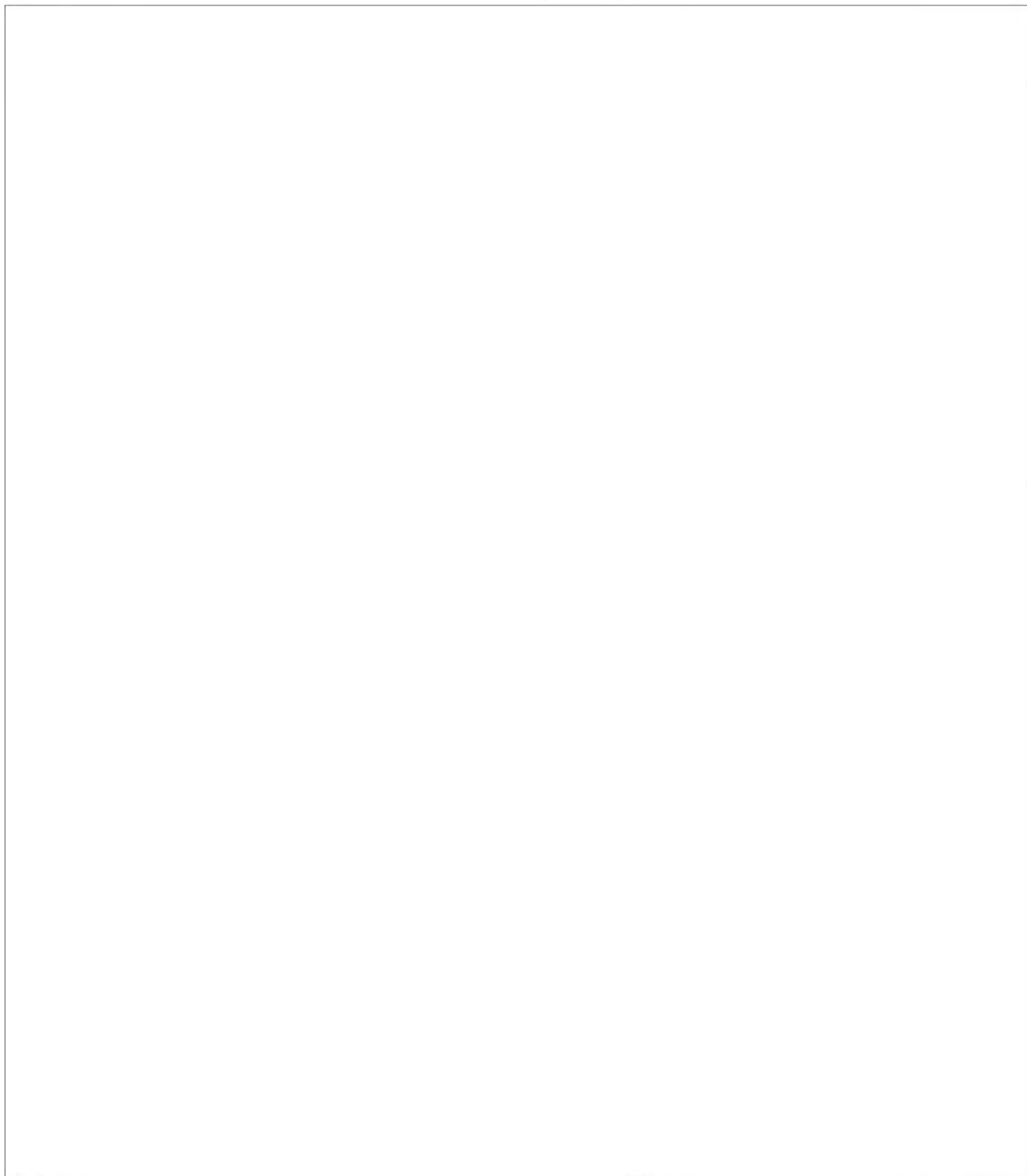
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Albania: Potential Industrial and Environmental Hazards [redacted]

Albania's crumbling and historically unregulated industrial base may present hazards to NATO forces, relief organizations, and refugees in several parts of the country. Although many industrial plants are not operating [redacted]

[redacted]
industrial wastes and chemical storage containers of questionable integrity, marking, and contents remain at some sites.

- Moreover, years of unregulated discharge of airborne- and waterborne-industrial pollutants, untreated sewage, and poor agricultural management have degraded air, water, and soil quality, according to a variety of open source reporting.
- The most immediate risk to personnel is water-borne bacteria. [redacted]

A World Health Organization country-wide monitoring system—in conjunction with the Albanian Government—has detected no outbreaks of infectious diseases anywhere in the country. The recent influxes of Kosovar Albanian refugees, however, has probably led to localized microbial contamination of streams near border crossings. [redacted]



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European Stance Hardening on Genetically Modified Food

Opposition to genetically modified (GM) foods reignited in late May in the wake of a Cornell University study showing pollen from US pest resistant GM corn can kill monarch butterflies. After boisterous public outcry the UK's Chief Science Adviser announced that, while field trials would continue, no new GM foods would be approved for commercial release until 2003.

- The European Commission suspended the approval process for GM corn, and at least 11 other such foods are awaiting approval.
- Russia said that after 1 July it will allow GM food imports only after they are tested and registered, and Greece banned experimental plantings of seven genetically modified farm products.

Similarly, French Environment Minister Voynet announced Paris would suspend new permits for the marketing of GM vegetables and called for a reappraisal of those that have already been approved. The French Agricultural Ministry hinted that the existing ban on some GM products such as beets could be extended to GM corn if the Cornell findings are verified, according to press reports.

- Austria banned the pest resistant GM corn cited in the Cornell University report until further tests prove that it only affects targeted harmful insects.

The reaction already is having a negative impact on North American grain producers. A large Canadian corn miller announced it will not buy GM corn from farmers for fear of losing European customers, according to media reports.

Public Acceptance Plummeting in UK

Having repeatedly endorsed GM foods as safe, the Blair government finds itself on the defensive in light of the Cornell study and a report by a British scientist suggesting GM potatoes are harmful to mice. In the mid-1990s, the UK had one of Europe's highest levels of consumer acceptance of GM foods, but a poll this month shows only 1 percent of Britons consider GM organisms good for society.

- A leading British medical group in late May called for a moratorium on the planting of GM foods and several supermarket chains have banned GM products or have adopted voluntary labeling schemes.
- The public distrust of GM foods—and of the government's response on the issue—stems largely from the mad cow disease outbreak in 1996.

London in May announced the creation of two advisory bodies to assess the impact of GM foods on health, agriculture, and the environment. An association of biotech companies warned that these new "bureaucratic layers" will slow research and development and undermine the UK's competitiveness in the biotech field, according to press reports.

- Some biotech firms charge that scientific assessment is taking a back seat to political expediency and call on the government to do more to halt public "hysteria" over GM foods.

Jordanian, Syrian Agriculture Sectors Hard Hit by Drought [redacted]

The regional drought, which forecasters say will continue through the summer, has cost Jordan almost \$200 million in lost agricultural production and could push the kingdom's real GDP growth rate into the negative range this year. Rainfall has been less than half of the seasonal average, causing severe damage to all rain-fed crops.

[redacted] estimates that Jordan this year will post declines of 80 percent in grain production, 40 percent in animal production, and 50 percent in fruit-tree yields. [redacted]

Amman has announced only limited drought aid for farmers because of its tight budget. The government has cut interest rates to farmers and charged farmers reduced livestock fodder prices for animal breeders.

- Amman, however, has not rescinded deep cuts in water allocation to agriculture intended to reduce water shortages in urban areas. [redacted]

Challenge for Abdallah [redacted]

King Abdallah faces the challenge of managing disgruntlement over water shortfalls in cities and increased hunger in the countryside. [redacted]

[redacted] farmers may be hard pressed to support their families this year, swelling the ranks of the rural poor.

- [redacted] crop losses will decrease the nutritional intake of rural residents, and as many as 200,000 Jordanians may need emergency supplementary food assistance this year.
- Press reports say hundreds of Jordan Valley farmers in mid-May demonstrated to protest deteriorating economic conditions [redacted]

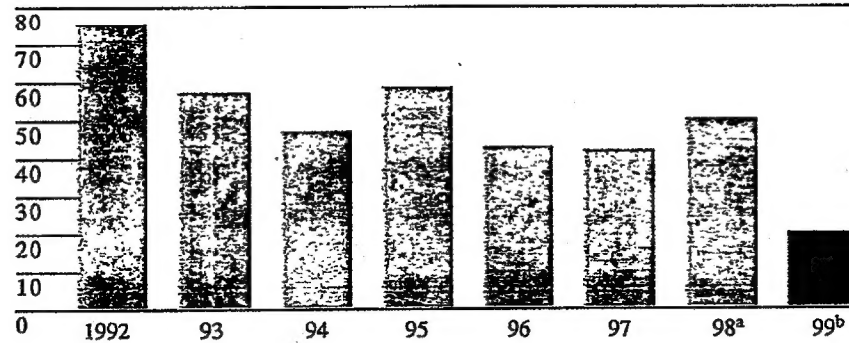
Syria Suffering [redacted]

[redacted] water supplies in Syria are at their lowest in decades, causing severe damage to the agricultural sector. [redacted] Syrian wheat production could decline by 44 percent and barley production by 66 percent this year. Agriculture accounts for about 30 percent of Syria's GDP. [redacted]

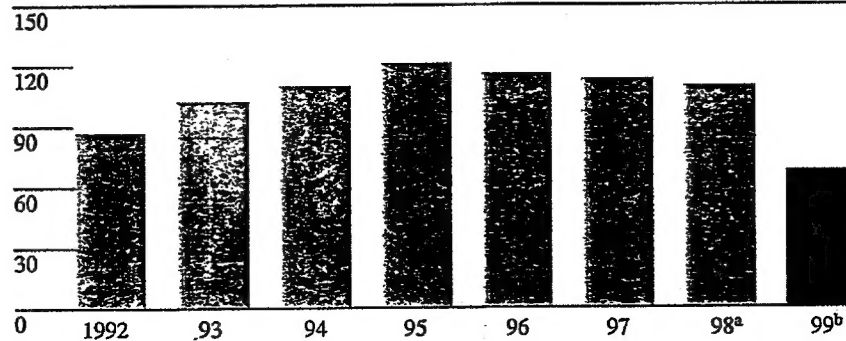
Jordan: Selected Agricultural Production, 1992-99

Thousand metric tons (note scale change)

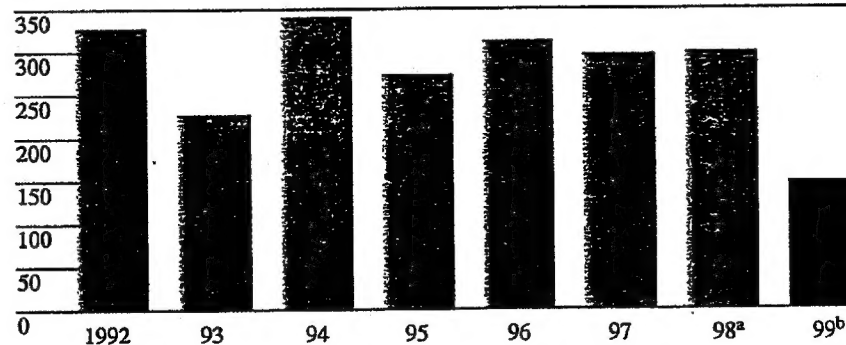
Wheat



Red Meat and Poultry



Fruit Trees



^aEstimated.

^bProjected.

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Iraq Facing Water and Grain Shortages

Although not as severe as claimed by the Ministries of Irrigation and Agriculture, Iraq will be challenged by shortages of water this summer and possibly grain early next year.

Iraq's efforts to deal with the situation will be complicated by reduced grain reserves—

Saddam may deal with food shortages by requesting UN approval for a larger food budget allocation under the oil-for-food program or by accepting humanitarian aid shipments. He may reduce food rations for the general population in order to guarantee he has adequate supplies to maintain the loyalty of his inner circle and security forces.

- According to CIA analysis, precipitation during the most recent November-May rainy season was no better than half of normal and the ongoing harvest will be about 30 percent below normal—not the 80 percent deficit for each as Baghdad has claimed in the press.
- According to press reports, Iraqi officials blame part of the water shortage on increased storage in the Turkish dams upriver—those associated with the Grand Anatolia Project and Syria's one major dam on the Euphrates River are critical to Iraq's water budget.

- Another option would be to deplete reserves to maintain close-to-normal supplies of grain for the entire population, thereby postponing dealing with shortages.

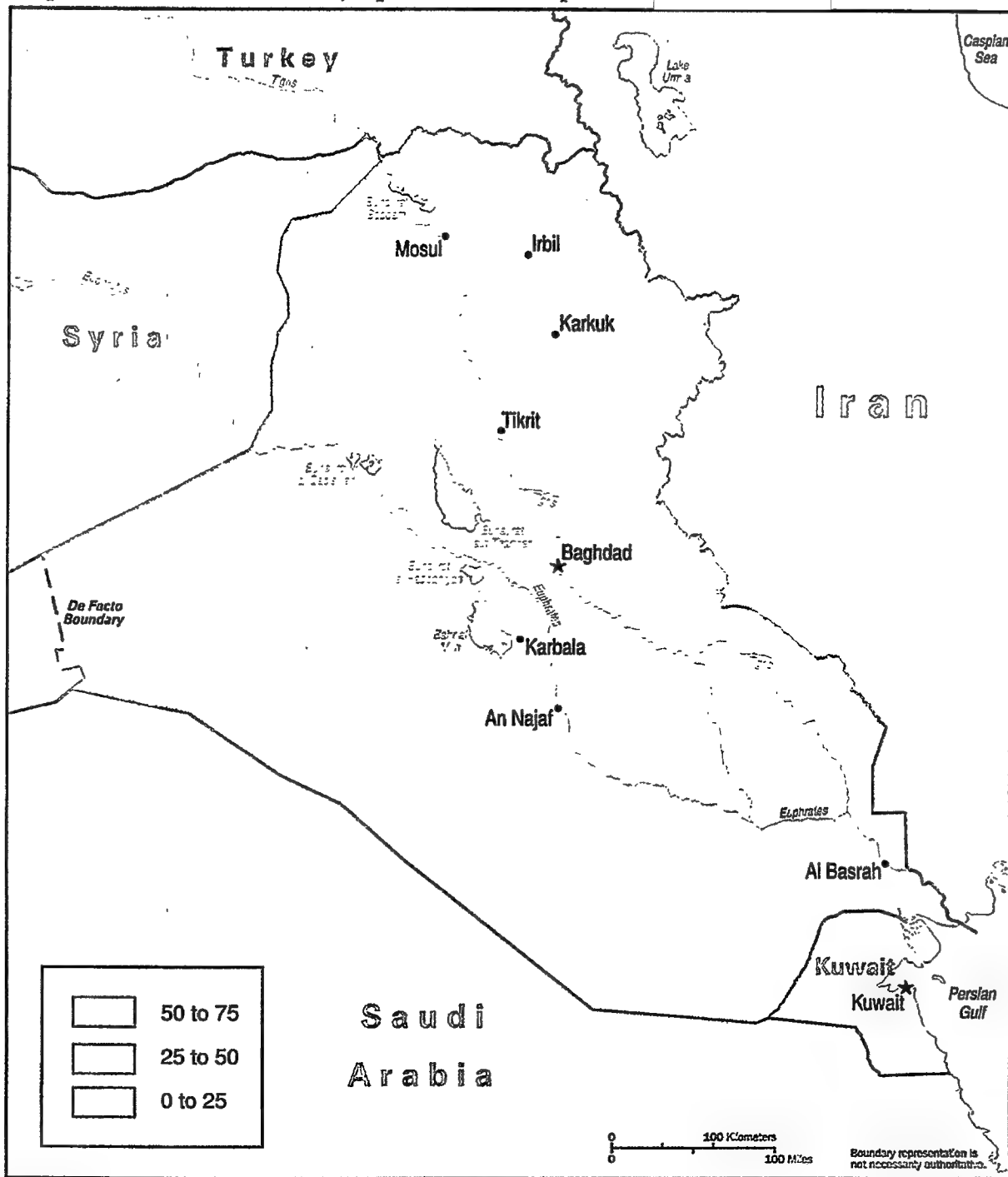
Baghdad has started to impose measures to offset the water shortage, such as stricter regulation of irrigation water, but continues to abuse water resources in vanity projects such as man-made lakes for senior officials.

Even with conservation efforts in the agricultural sector, Iraq will have to draw down its reservoirs further to meet needs for irrigation and drinking water this summer, increasing the deficit needed to be made up in future wet seasons.

- The time needed to recover will depend primarily on flow through the Tigris and Euphrates and secondarily on rainfall.



Iraq: Percent of Normal Rainfall, September 1998 to April 1999



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Kazakhstan's Water Woes

Kyrgyzstan in late May cut off Kazakhstan's water supply from the Kara Bura reservoir in retaliation for Astana's refusal to deliver coal under a tripartite agreement with Uzbekistan, according to press reports. The agreement mandates sharing the water of the Syrdariya River in exchange for energy resources.

- The cutoff may jeopardize the cotton crop, southern Kazakhstan's primary product

Meanwhile, Kazakhstan in May began talks with China about Beijing's plan to build a canal that would divert water from the Irtysh River to a Xinjiang oilfield by yearend. The diversion could disrupt Astana's water supply and undermine the region's economy and environment, including navigation on Russia's Ob River.

- Despite progress on other bilateral issues with Beijing, Astana will seek Moscow's participation to influence the Chinese.

Kyrgyzstan Cuts Off Kazakhstani Water Supply, Late May 1999



Cuba Unlikely to Request Food Aid Despite Dry Spell []

The unusually dry weather affecting Cuba's eastern provinces for the past several months should ease with the onset of the rainy season in May, according to official Cuban data. If rainfall returns to normal within the next several weeks, agricultural losses will be limited primarily to livestock and the corn crop—often used for animal feed.

Cuban press reports say dry weather touched off several fires during April and May that destroyed more than 8,000 hectares of forest lands in the western province of Pinar del Rio. The Cuban expatriate group Alpha 66 claimed responsibility for the fires, but the group has made false sabotage claims in the past. []

- Most food staples such as beans, rice, potatoes, and other vegetables are planted later in the year.
- Cuba's dilapidated agricultural infrastructure and persistent fuel shortages leave the sector especially vulnerable to unfavorable climatic fluctuations. []

If rainfall does not return to normal, Havana is likely to reduce state-subsidized rations and use its scarce foreign exchange to import additional food. The subsidized egg ration in Santiago de Cuba is down to 1 per person per month from 3, and the state is stretching out the rice ration by requiring consumers to buy smaller amounts throughout the month, []

- Havana last year spent roughly \$370 million for food, about 12 percent of total imports, []

Cuba last year received about \$20 million in food aid from the UN World Food Program, but some donors were skeptical that the drought was the primary reason for the production shortfall,

[] The Cuban Government—anxious to avoid such international scrutiny—will request assistance this year only if conditions worsen dramatically. []

South Korea Hesitant Ally in Kyoto Debate

Seoul is nervous about its ability to deliver emissions limits despite indicating in April its willingness to discuss a so-called transition target prior to 2018. The effects of the recent financial crisis on its economy are fresh, making it cautious about further commitments in the climate change talks.

- The ruling party, however, advocates national legislation to address climate change and establishment of a public/private panel to draft policy measures, according to press reports.

South Korea also supports the US on unrestricted emissions trading against the EU's efforts to curb trading and go back on the Kyoto agreement.

Seoul sees the potential benefits of trading for South Korea.

- In addition, Seoul supports the US position on credits to be earned from private sector investments in developing countries through the Clean Development Mechanism.

Other governments are watching to see what course South Korea takes in the climate negotiations, particularly on the emissions target issue. For example, the American Institute reports that Taiwan believes—for export price competitiveness reasons—that it cannot move toward a target until South Korea does

Indian Court Aggressively Pursuing Auto Emission Reductions []

The Supreme Court in late April banned registration of privately owned automobiles in New Delhi and vicinity that do not conform to new, tougher emission standards. All noncommercial cars must comply with Euro I emission norms by 1 June and the tougher Euro II norms after 1 April 2000.

- The ruling is the latest in a series of measures aimed at reducing air pollution in the Delhi area.
- The Supreme Court previously banned taxis and cars more than 15 years old and mandated the availability of unleaded gasoline. []

The court's action suggests India's judiciary is becoming more proactive on environmental issues. The order—which moved up the deadline for Euro II conformity by five years and dominated India's media for a full week—reflects popular frustration with the slow progress of cleaning up the environment.

- The court rejected previous pleas by officials for more time to consult with auto manufacturers, citing its displeasure with the government's slow implementation of the Environment Act of 1986.
- When asked about extending the deadline for conformity, one court official said, "You are talking of breathing time; we are finding it difficult to breathe." []

The court also rejected pleas by the federal government and automobile industry leader Maruti Udyog Ltd.—likely to be hit hardest by the order—to extend the deadline for conformity, according to press reports. Other car manufacturers—Hyundai, Telco, and Daewoo—are far ahead in adhering to emission norms.

- The order does not apply to two-wheel powered vehicles—70 percent of India's personal vehicles—which have almost no pollution controls []

The number of vehicles in India grew more than 11-fold between 1970 and 1990. Privately-owned vehicles make up 90 percent of those in the Delhi region, and an Indian study calculates auto emissions account for 63 percent of air pollutants in the capital. []

China Stepping on the Gas

Beijing over the past two months has begun promoting natural gas production as a clean and efficient substitute for coal—which supplies 75 percent of China's primary energy. Resource and financial constraints and limited gas consumption, however, may make it difficult to achieve official gas-use targets of 85-200 billion cubic meters by 2020.

- China has nine of the 10 most polluted cities in the world, according to the World Resources Institute.
- Beijing's forestry administration estimates that the acid rain that falls on 40 to 50 percent of the country causes timber and crop losses of \$12 billion annually.

Chinese companies are trying to develop onshore and offshore gas resources and to build pipelines, and the China National Petroleum Corporation late last year centralized control of pipeline management. CNPC in April started 30 gas-related projects in the northwestern province of Xinjiang, announced plans to build a 4,200-km gas pipeline to Shanghai, and began construction of a pipeline from Sichuan Province to Wuhan, according to press reports.

- Beijing also plans to import liquefied natural gas, but officials say infrastructure preparations will delay imports until 2005.
- Discussions have been held on plans to construct two pipelines from Siberia, one from Kazakhstan, and one from Turkmenistan, although progress has been slow because of high costs and political difficulties.

Trying to Lure Foreign Investment

Beijing is considering offering foreign gas companies bidding rights to develop gas resources in central and northwest China, according to a CNPC official quoted in the official Chinese press. Beijing has promised foreign companies tax holidays, rapid project approval, higher gas prices, and take-or-pay contracts—which require the buyer to pay for the contracted supply whether or not delivery is taken—according to official Chinese and Western press reports.

Even with these plans to increase production, China has not taken important steps to promote gas use. For a sustainable market, Beijing will have to encourage broader-based use of gas-fired thermal electric plants, which it has not done.

Existing and Proposed Natural Gas Pipelines to China



Boundary representation is not necessarily authoritative.

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Indonesian Forest Fires and Haze Less Severe This Year [redacted]

Haze from Indonesian fires this spring blanketed parts of Singapore and Malaysia, raising fears of a repeat of the crisis of 1997-98. Scattered fires—and associated haze—are likely to occur in Indonesia throughout the rest of this year, but higher-than-normal rainfall suggests the problem will not be as severe as the last time.

— [redacted]
[redacted] a moderate La Niña brought above-normal rainfall to central and eastern Indonesia in recent months, particularly in January and April.

— The International Research Institute for Climate Prediction (IRI) forecasts above-normal rainfall in the area from July through September.

The fire risk appears greatest in Sumatra and in western Java, which [redacted] received below-normal rainfall early this year. Indonesia is entering its dry season, and IRI forecasts below-normal precipitation in both areas through next month and higher-than-normal temperatures in most of Indonesia through September. [redacted]

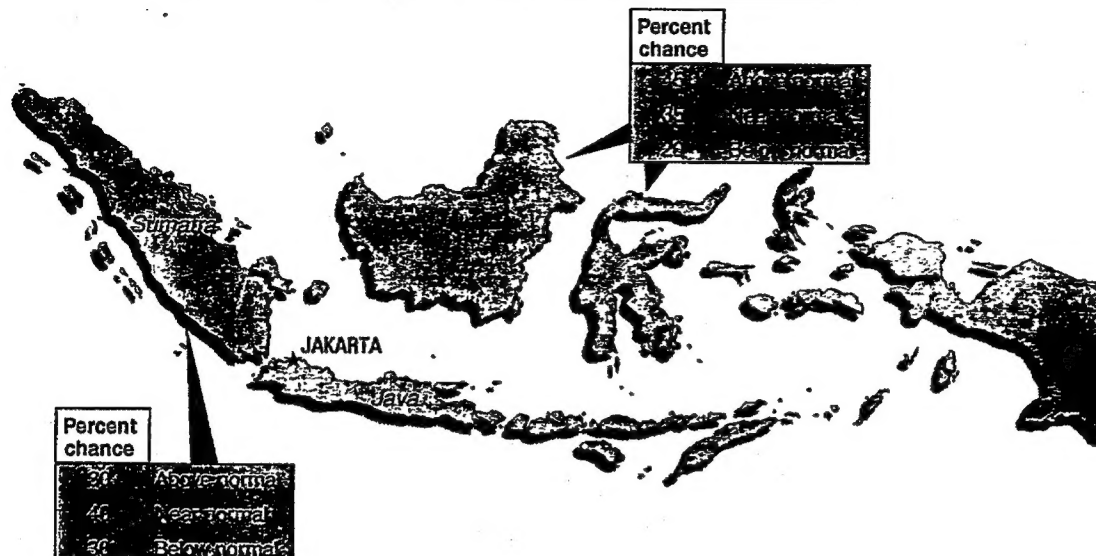
Some regional meteorologists predict another El Niño—similar to the one that caused the drought that contributed to the number and intensity of the fires in 1997-98—will occur in 18 to 24 months. [redacted] skeptical because models do not allow predictions that far in advance and because a typical El Niño cycle is three to seven years, but [redacted] acknowledges droughts could occur. [redacted]

Weaker Government Response Likely [redacted]

The Indonesian Government may be less capable of dealing with fires this year because of its preoccupation with political and economic problems. [redacted] political and economic instability have created an atmosphere in which the population is less intimidated by authorities and less willing to obey laws against burning.

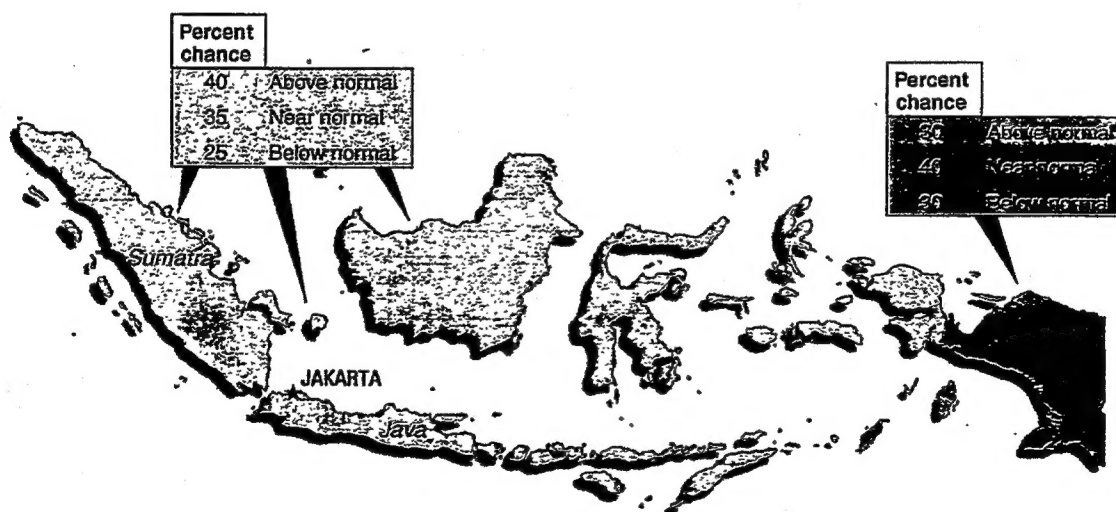
— [redacted] the development of the lucrative oil palm industry, which involves land clearing by fire, will remain a priority for cash-starved Indonesia, making it more inclined to look the other way in cases of plantation fires. [redacted]

Indonesia: Precipitation Forecast, July to September 1999



Source: International Research Institute for Climate Prediction, April 1999.

Indonesia: Temperature Forecast, July to September 1999



Source: International Research Institute for Climate Prediction, April 1999.

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Conference on Disasters Adopts Ambitious Program [REDACTED]

The 18 countries participating in the second international conference in mid-May in Mexico City agreed to take further steps to establish a Global Disaster Information Network (GDIN) to assist in responding to disasters worldwide, [REDACTED]

[REDACTED] The conference established working groups on policy, outreach, technology, pilot projects, and capacity building.

- The policy group will discuss the handling of intelligence on disasters and disaster mitigation.
- The technology group, which the US is to lead, will discuss ways to improve the distribution and use of remote-sensing data. [REDACTED]

The capacity-building group will suggest ways to improve information connectivity in developing countries. Foreign assistance was not part of the original or the current GDIN concept, but several participants said GDIN will have to provide technical and financial help to developing countries. [REDACTED]

Sovereignty an Issue [REDACTED]

Mexico voiced concerns about remote sensing on its territory. The conference final report will state that GDIN activities are not intended to affect the sovereignty of states.

- Placing the global leadership of GDIN within the UN was discussed.
- Participants did not object to a US proposal that the policy working group study this model and others. [REDACTED]

Poor Attendance Raises Eyebrows [REDACTED]

Potential major GDIN players Russia, France, and Germany, which may view the US role in GDIN as excessive, did not attend. Russia canceled at the last minute, possibly because of the Kosovo crisis.

[REDACTED]

The third GDIN conference, scheduled for Turkey next April, will focus on developing partnerships in the Americas, Africa, the Middle East, Central Asia, and Europe, and on a GDIN implementation strategy. A conference in Australia the following years will focus on GDIN's initial operating capability. [REDACTED]

Selected International Environment-Related Meetings

31 May - 11 June	Climate Change Convention Subsidiary Bodies Meeting	Bonn
5 June	World Environment Day International Celebrations	Tokyo
7-11 June	Convention on Biological Diversity Intersessional Meeting	Montreal
8-11 June	Twenty Ninth Meeting of the OECD Chemical Management Committee	Paris
14-18 June	Nineteenth Open-Ended Working Group Meeting of the Montreal Protocol	Geneva
18-20 June	G-8 Economic Summit	Cologne
12-16 July	FAO Negotiating Committee for a Legally Binding Instrument on Prior Informed Consent (PIC) for Hazardous Chemicals in International Trade	Rome
14-18 June	Second Session of the Experts Group On Persistent Organic Pollutants (POPs)	Vienna
28-30 July	Hemispheric Energy Ministerial: Clean Energy Initiatives	New Orleans
6-11 September	Third Session of the POPs Intergovernmental Negotiation Committee	Geneva
9-13 September	APEC Senior Officials Meeting	Auckland
4-8 October	Biodiversity Convention Expert Panel on Access and Benefit Sharing	TBD
25 October - 5 November	Fifth Session of the Conference of Parties to the Climate Change Convention	Bonn
15-26 November	Third Session of the Conference of Parties to the UN Convention to Combat Desertification	Recife
30 November-3 December	WTO Ministerial	Seattle
10-16 December	Sixth International Conference on Acid Rain Deposition: Acid Rain 2000	Tsukuba, Japan